

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7803

BILL NUMBER: HB 1919

DATE PREPARED: Mar 23, 1999

BILL AMENDED: Mar 23, 1999

SUBJECT: Permit accountability time frames.

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) (1) This bill requires the commissioner of the Department of Environmental Management to approve or deny permits: (a) within 150 days for an application for a minor new National Pollutant Discharge Elimination System general permit (current law requires the commissioner to act within 180 days); (b) within 90 days for a permit concerning a wastewater facility or wastewater facility construction (current law requires the commissioner to act within 120 days); and (c) within 50 days for an application concerning certification of special wastes.

(2) It requires the Environmental Quality Service Council to review permit accountability time frames.

(3) It requires the commissioner of the Department of Environmental Management to proportionally reduce the fees billed to sources with NPDES permits, solid waste permits, and hazardous waste permits, if the funds in the Environmental Management Permit Operation Fund less obligated expenditures exceed certain amounts.

(4) It changes the scope of special waste statutes and rules to apply only to solid waste that is disposed of at a solid waste landfill that does not meet Subtitle D design standards of the federal Resource Conservation and Recovery Act.

Effective Date: (Amended) Upon passage; July 1, 1999.

Explanation of State Expenditures: (Revised) (1) This provision reduces the number of days that the Indiana Department of Environmental Management (IDEM) has to approve or deny certain permit applications. The current and proposed number of days for the four affected permits are listed below.

	Current	Proposed
Minor New National Pollutant Discharge Elimination System (NPDES) General Permit	180	150
Wastewater Facility Construction Permit	120	90
Water Facility Construction Permit	120	90
Special Waste Certification	60	50

It is estimated that NPDES permits and special waste certifications can be approved or denied within the proposed specified time frame without a fiscal impact. Water and wastewater facility construction permit staff may need to work an indeterminable amount of overtime to either approve or deny the applications within the proposed specified time frame. Overtime expenses would be paid out of the Environmental Management Permit Operation Fund.

(3) This bill requires the commissioner of IDEM to reduce the fees billed to sources with NPDES permits, solid waste permits, and hazardous waste permits, if the unobligated balance of the Environmental Management Permit Operation Fund exceeds certain amounts. This could reduce permit fees paid by state agencies.

(4) This bill exempts from special waste certification requirements solid waste that is disposed of in a solid waste landfill that meets Subtitle D design standards of the federal Resource Conservation and Recovery Act. Currently, generators of certain solid waste must apply to IDEM for special waste certification. This may exempt some state agencies that generate special waste from the certification requirements. This would decrease their certification fee expenses. Solid waste generators must pay a \$250 fee for each special waste certification.

There will be some administrative expenses associated with the adoption of rules. The Solid Waste Management Board's expenses are paid out of the Environmental Management Special Fund.

Explanation of State Revenues: (Revised) (3) This bill requires the commissioner of IDEM to reduce the fees billed to sources with NPDES permits, solid waste permits, and hazardous waste permits, if the unobligated balance of the Environmental Management Permit Operation Fund exceeds certain amounts.

NPDES Permits: This bill requires that if the unobligated balance of the Environmental Management Permit Operation Fund collected under NPDES permits exceeds \$2.5 million, permit fees must be reduced proportionally. It is estimated that this would reduce NPDES permit revenue in FY 2000 and possibly beyond. The available cash balance under NPDES permits was approximately \$5.8 million on June 30, 1998 and approximately \$8.9 million on June 30, 1997. In FY 98, NPDES permit revenue equaled approximately \$3.9 million. The actual decrease in permit fee revenue each year is dependent upon the unobligated balance at the beginning of each fiscal year, as well as total annual revenue and expenditures.

Solid Waste Permits: This bill requires that if the unobligated balance of the Fund collected under solid waste permits exceeds \$1.8 million, permit fees must be reduced proportionally. It is estimated that this would reduce solid waste permit revenue in FY 2000 and possibly beyond. The available cash balance under solid waste permits was approximately \$2.5 million on June 30, 1998 and approximately \$4.7 million on June 30, 1997. In FY 98, solid waste permit revenue equaled approximately \$3.2 million. The actual decrease in permit fee revenue each year is dependent upon the unobligated balance at the beginning of each fiscal year, as well as total annual revenue and expenditures.

Hazardous Waste Permits: This bill requires that if the unobligated balance of the Fund collected under hazardous waste permits exceeds \$1.8 million, permit fees must be reduced proportionally. It is estimated that this would reduce hazardous waste permit revenue in FY 2000 and beyond. The available cash balance for hazardous waste permits was approximately \$4.3 million on June 30, 1998 and approximately \$5 million on June 30, 1997. In FY 98, hazardous waste permit revenue equaled approximately \$2.5 million. The actual decrease in permit fee revenue each year is dependent upon the unobligated balance at the beginning of each fiscal year, as well as total annual revenue and expenditures.

Revenue in the Environmental Management Permit Operation Fund is used for permitting and other activities directly associated with the NPDES, solid waste, and hazardous waste programs of IDEM and its boards. The Fund also receives revenue from other state, federal, and miscellaneous sources each year.

(4) It is estimated that this bill would decrease the number of certifications that IDEM must approve by five to ten per year. Solid waste generators must pay a \$250 fee for each special waste certification. This would reduce certification revenue by \$1,250 to \$2,500 per year. Fee revenue is deposited in the Environmental Management Permit Operation Fund.

Explanation of Local Expenditures: (Revised) (3) This bill requires the commissioner of IDEM to reduce the fees billed to sources with NPDES permits, solid waste permits, and hazardous waste permits, if the unobligated balance of the Environmental Management Permit Operation Fund exceeds certain amounts. This could reduce permit fees paid by local units of government.

(4) This may exempt some local units of government that generate special waste from the certification requirements. This would decrease their certification fee expenses. Solid waste generators must pay a \$250 fee for each special waste certification.

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Environmental Management; General Assembly; State agencies that have environmental permits or that generate special waste.

Local Agencies Affected: Local units of government

Information Sources: Erika Seydel Cheney, Indiana Department of Environmental Management, 232-8598.